

COMMITTEE ON ENVIRONMENT

Representative Ray Barnes, Chairman
Representative Colette Rosati, Vice-Chairman
Tami Stowe, Legislative Research Analyst



*	Strike-everything Amendment
[E]	Emergency Clause
[P 108]	Proposition 108 Clause

Bill	Chapter	Short Title	Page
HB 2097	60	radiation regulatory agency; sunset continuation	65
HB 2098	61	oil and gas commission; continuation	65
HB 2159	239	water infrastructure finance; payment approval.....	65
HB 2316	273	*flood control districts.....	65
HB 2317	267	*mined land reclamation	65
HB 2429	333	solar energy tax incentives.....	65
HB 2430	137	energy cost saving measures; requirements.....	66
HB 2521	194	[E] small water systems; interim operators.....	66
HB 2562	303	weights and measures; civil penalties	66
HB 2590	98	ethanol E85; motor fuel	66
HB 2591	242	[E] compressed natural gas; particulate program.....	66
SB 1140	32	water; monitoring assistance program	66
SB 1144	115	drinking water systems; equipment	66
SB 1350	311	pesticides; child care facilities; notification	67
SB 1433	371	tax exemption; liquid natural gas	67

HB 2097 – Chapter 60 – radiation regulatory agency; sunset continuation

Continues the Arizona Radiation Regulatory Agency and Radiation Regulatory Hearing Board for 10 years.

HB 2098 – Chapter 61 – oil and gas commission; continuation

Continues the Arizona Oil and Gas Commission for 10 years.

HB 2159 – Chapter 239 – water infrastructure finance; payment approval

Limits voter approval for Water Infrastructure Finance Authority (WIFA) financing of projects involving cities and town's drinking water or wastewater treatment facilities and nonpoint source projects or domestic water and wastewater improvement districts having a population over 50,000 persons. Additionally, the following changes were made:

- Clarifies that cities and towns with a population under 50,000 do not have to hold an election before construction, purchase, acquisition or lease property for use by a public utility.
- Clarifies that cities and towns may pledge revenues of the city's or town's utility system to the payment of the repayment agreement but may not violate any covenant pertaining to the utility system or systems.
- Clarifies that if there are less than 50,000 persons in the improvement district, the district's Board of Directors' approval is sufficient for financial assistance loan repayment agreements.
- Broadens WIFA's scope of financing to include wastewater improvement districts.
- Clarifies that an election is not necessary in a county improvement district, if a similar project with another funding source was voter approved.
- Allows a county improvement district to be dissolved if the functions of the district have been assumed by a utility.

HB 2316 – Chapter 273 – *flood control districts

Authorizes the board of directors of a flood control district to adopt and enforce civil penalties for violations of its regulations or ordinances, unauthorized damage and interference to district facilities. Additionally, the bill provides for a notice of violations process, outlines an administrative hearing and final decisions process with hearing officers, establishes the Board of Hearing Review to consider hearing officer decisions and specifies enforcement and remedies of law.

HB 2317 – Chapter 267 – *mined land reclamation

Prohibits counties from adopting zoning ordinances that prevent, restrict or regulate mined land reclamation activities and states that *mined land reclamation activities* include activities that are regulated pursuant to mined land reclamation and aggregate mined land reclamation statutes. Additionally, the bill adds to the definitions of *mine* and *mining* within the operation of mines statute by stating a *mine* includes the portion of an operation that is being reclaimed and *mining* includes mined land reclamation activities pursuant to mined land reclamation and aggregate mined land reclamation statutes.

HB 2429 – Chapter 333 – solar energy tax incentives

Requires the Department of Commerce (DOC) to establish a solar energy income tax credit program, establishes solar energy tax credits for commercial and industrial projects, removes the \$5,000 tax exemption limitation for retail and prime contracting classifications under the transaction privilege tax (TPT) and prohibits solar energy systems for on-site consumption from being added to property value.

HB 2430 – Chapter 137 – energy cost saving measures; requirements

Increases the energy cost savings performance contracting maximum terms for state buildings and school facilities to 25 years and clarifies that the maximum performance contract term will be over the expected life of the energy cost savings measures implemented or 25 years, whichever is shorter. The performance contract must provide that the energy and operational savings generated cover all costs after accounting for any financial incentives or assistance provided by utilities, rather than the contractor bear all costs. Additionally, the bill adds the definition of combined heat and power to the performance contracting program, which is any system that simultaneously or sequentially generates both electric or mechanical energy and useful thermal energy using the same unit of fuel and includes combined heat and power within the definition of *energy conservation measures*.

HB 2521 – Chapter 194 [E] – small water systems; interim operators

Is an emergency measure that allows WIFA to give emergency grants, through the Small Water Systems Fund, to Arizona Corporation Commission (ACC) approved interim operators or managers of small water systems when making repairs to or rehabilitating the public water system in order to correct or avoid interruption in water service, if designated by the Arizona Department of Environmental Quality (DEQ).

HB 2562 – Chapter 303 – weights and measures; civil penalties

Permits the Arizona Department of Weights and Measures (DWM) to impose the maximum civil penalty on a refiner, refinery, supplier or transmix processing facility which violate motor fuel quality standards or produce inaccurate, incomplete, misleading or deceitful transfer documents.

HB 2590 – Chapter 98 – ethanol E85; motor fuel

Places ethanol blend E85 and biodiesel blends in the definition of *motor fuel* for the purposes of regulating these fuels, specifies the reporting requirements, outlines the regulatory requirements and requires producers and retailers to post specified ethanol blend E85 information for vehicle owners.

HB 2591 – Chapter 242 [E] – compressed natural gas; particulate program

Is an emergency measure that amends Laws 2005, Chapter 332, section 9, to give specific grant authority to DEQ for the Compressed Natural Gas (CNG) and Diesel Particulate Filter School Bus Grant Program and further specifies the grant application requirements and procedures.

SB 1140 – Chapter 32 – water; monitoring assistance program

Expands the DEQ water Monitoring Assistance Program (MAP) to include testing for nitrates.

SB 1144 – Chapter 115 – drinking water systems; equipment

Requires chemicals, additives and drinking water system components that are added to or come into contact with drinking water to conform to the National Sanitation Foundation (NSF) standards and makes the following changes:

- Ensures that chemicals and additives certified as conforming to NSF standards comply with the Arizona drinking water standards.
- Allows public water systems to use chemicals, additives and drinking water system components that have not been certified as conforming to NSF standards provided the standards used are the specified alternatives.
- States that drinking water system components installed and used after January 1, 1993 shall conform to NSF standards unless identified by DEQ as an alternative at or after the time of use or installation.

SB 1350 – Chapter 311 – pesticides; child care facilities; notification

Subjects child care facilities to the same pesticide notification requirements that apply to schools, expands the list of pesticide applications that are exempt from notification requirements and modifies the conditions on the exemptions. Additionally, the bill requires the Department of Health Services (DHS), in consultation with specified groups, to develop and adopt a policy to provide parents, guardians, children and personnel with at least 48-hours notice before pesticides are applied on child care facility properties and specifies the details of the policy. Finally, the bill appropriates \$100,000 and two FTE positions in FY 2006-06 to the SPCC from the SPCC Fund for the purposes of this act.

SB 1433 – Chapter 371 – tax exemption; liquid natural gas

Exempts natural gas used for fueling the equipment used in the Liquefied Natural Gas (LNG) conversion process from TPT and use tax retroactively to tax periods beginning August 1, 2005, requires retroactive refund claims to be submitted to DOR by December 31, 2006. Failure to file a timely claim will constitute a refund claim waiver.